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SUBJECT: ECOSOC HIGH LEVEL SEGMENT ADOPTS MINISTERIAL
DECLARATION ON DECENT WORK

SUMMARY

1. The UN Economic and Social Council (ECOSOC) held its High Level Segment in Geneva July 3-5 to discuss the linkage between employment and economic development. A 40-paragraph Ministerial Declaration was adopted after protracted negotiations, drawing attention to the needs of the world's unemployed and working poor, and to the importance of creating conditions to attract private sector investment as well as setting up limited follow-up steps. The Deputy Secretary-General, the Prime Ministers of Pakistan, Norway

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and Mozambique, the Tunisian Minister of Labor and Youth Employment, and Juan Somavia, Director-General of the International Labor Organization (ILO) all spoke at the opening session on the topic of "Working out of Poverty." UN, UNCTAD, WTO, World Bank and IMF representatives discussed developments in the world economy in relation to employment. In addition to the General Debate, the High Level Segment also included discussion of the proposed new ECOSOC Annual Ministerial Review and the Biennial Development Cooperation Forum, as well as several roundtables on issues related to employment such as job creation, poverty reduction, labor migration, and rural underemployment. Many from developing countries stressed their disappointment with the failure of the Doha Round of trade talks and described the problems created by so-called "jobless growth." In general, countries acknowledged the responsibility of governments to take action at the national level to create an environment conducive to better jobs and better working conditions, enhance the skills of youth, empower women and promote small and medium-sized enterprises, all within an international system that would support their efforts. END SUMMARY.

OPENING SESSION

2. The High Level Segment of ECOSOC on the theme "Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development" took place July 3-5, launching the month-long ECOSOC substantive session. Deputy Secretary-General Mark Malloch Brown spoke first, touching on themes which were reiterated by others throughout the Segment. He noted that 3 billion people worldwide earn less than two dollars per day, creating a vast number of "working poor", and that half of

the world's unemployed are young people. Youth unemployment will continue to be of concern, as 1.2 billion people are projected to reach working age in the next decade. A paradox highlighted by Malloch Brown and others, aka "jobless growth", is that economic growth does not necessarily lead to the creation of more jobs; increased productivity and increased employment were both vital.

¶3. Building on these themes, Prime Minister Aziz of Pakistan stressed the importance of "development with dignity." Drawing an analogy between globalization and a tidal wave, Aziz warned that countries can "either ride it or get swept away." He pointed out that good governance and well-implemented economic reforms could help attract investment and open opportunities for entrepreneurship. Governments themselves, he underlined, have the primary responsibility for taking holistic, home-grown reform measures. He encouraged movement away from "donor-client" relationships to "partnerships" between developed and developing countries, greater technology transfer, and greater access to markets. Prime Minister Jens Stoltenberg of Norway extolled the creation of the "welfare state" and the workers' protections it provides, as well as the advantages of active participation of women in the economy. Stoltenberg argued that social equity would in the long run generate growth, so that it need not be the last set of reforms countries consider adopting.

¶4. Turning to the UN's functionality, he called for less duplication, more results, and more emphasis on activities in the field instead of at headquarters. Prime Minister Luisa Dias Diogo of Mozambique underscored the importance of agriculture, especially in Africa. Without improvement in the agricultural sector, there can be no meaningful progress in poverty reduction. She cited three pillars for economic development: human capital, private sector agriculture, and good governance. Taking a slightly different tack, the Labor

Minister of Tunisia, Chadli Laroussi, called on the UN and its multiple agencies to promote employment opportunities in developing countries, and looked towards follow-up to the World Summit on the Information Society (WSIS) to bridge the "digital divide." WTO Deputy Director General Rugwabiza shared his view that although the recent high level WTO talks made no progress, the situation was not hopeless.

¶5. Rounding out the opening session, Director-General of the International Labor Organization (ILO) Juan Somavia, pointed out that the world's labor force would increase by 430 million in the next ten years, and that countries would not be able to provide jobs for these new workers without action.

He argued that the "dignity and value of work" has to be recognized, and that decent work is "the route out of poverty," a theme echoed by many others. Noting that solutions would vary based on local capacities, Somavia called for better national policies to exploit local markets and greater cooperation among multilateral institutions.

HIGH LEVEL POLICY DIALOGUE

¶6. The World Bank, IMF and WTO presented their views on the opening morning, bringing attention to previously unmentioned topics. World Bank senior vice president Bourguignon related that international migration was a win-win situation, benefiting both countries of origin and recipient countries, and noted the importance of controlling climate change for sustainable development. IMF New York representative Munzberg pointed to the risks of high oil prices and avian influenza, as well as the challenge of rectifying imbalances brought on by globalization while maintaining robust growth.

MINISTERIAL ROUNDTABLES

¶7. Ambassador Terry Miller, head of the US delegation, took part in two ministerial roundtables -- one on "Decent Work and International Development Cooperation" and one on "Expanding decent rural work opportunities: What role can secure land rights play?" Other roundtables, held

simultaneously, covered youth employment in LDCs, urban poverty, migrant worker remittances in Africa and LDCs, the role of information and communications technology (ICT) in employment creation and poverty reduction, and the gender dimensions of labor migration. Non-ministerial roundtables dealt with productivity, job creation in Africa and LDCs, globalization and migration, and gender equality. The Roundtable on job creation in Africa was noteworthy for the inclusion on the panel of a representative of an African private sector business association.

GENERAL DEBATE

18. U/SYG Ocampo began the General Debate, summarizing the SYG's report on full and productive employment and decent work for all. He explained that the UN has moved beyond its historic focus on "full employment" to take account of new realities and trends. Among the points Ocampo made were: 1) the rising rate of unemployment during the past decade, despite the world economy's robust growth, signaling that growth alone cannot ensure job creation or a reduction in extreme poverty. 2) Many workers in developing countries do not earn sufficient income from their jobs, especially in the agricultural sector and in the urban informal economy. This "underemployment" keeps over half the world's labor force mired in poverty. 3) Youth are severely affected by unemployment. While young people comprise one-quarter of the world's working population, they make up half the world's unemployed. 4) Income gaps between skilled/unskilled workers, rural/urban workers, male/female workers are widening, within countries, as well as between countries. 5) Social protection is weak or absent in many countries, leading to serious problems for workers who lose their jobs due to structural changes, globalization, etc. 6) International labor migration has an impact on unskilled laborers in receiving country which can lead to xenophobia. Ocampo recommended that, in keeping with their responsibility to create conditions for productive employment, national governments should adjust their monetary and fiscal policies to emphasize job creation, not just anti-inflationary policies, and spend on infrastructure and human development, social security systems, rural development, and promotion of micro and small enterprises. He asked the IMF to put

employment at "center stage", remarked on the central role of the ILO, and encouraged UN funds, programs and specialized agencies to make employment strategies and essential part of UN Development Assistance Frameworks (UNDAFs).

19. Subsequent speakers picked up on the themes Ocampo enumerated. U.S. Head of Delegation Ambassador Miller stressed the need for countries to create a climate conducive to private sector investment as the key to increasing job creation. He noted that the U.S. Millennium Challenge Corporation assesses the bureaucratic obstacles to small business as a criterion for providing assistance to countries. Ambassador Miller drew attention to the need to respect fundamental principles such as freedom of association and the right to bargain collectively, and to avoid exploitative child labor and forced labor. The EU representative, Finnish Foreign Ministry Deputy Director General Anneli Vuorinen, described the "Lisbon Strategy" for investment in human capital and social protection within the EU, and underlined the extent of poverty among rural women in Africa.

110. South African Labor Minister Mdladlana, on behalf of the G77, harshly criticized the failure of the WTO Doha Round and "trade distortions" brought on by "unfair agricultural subsidies." He derided "flexibility" of the labor market as a misguided goal, and accused globalization of favoring the developed world and enlarging the gap between rich and poor. Mdladlana characterized migration as a brain drain of skilled workers from the developing world, without any mention of the benefits of remittances which some other speakers noted. He voiced the G-77's call for a "universal rules-based, open, non-discriminatory and equitable multilateral trading system." All subsequent G-77 members who spoke associated themselves

with Mdladlana's statement, but none were as vehemently critical of or singlemindedly focused on the global trading system. Most developing countries referred to the impact of the problems Ocampo cited on their national conditions. Countries in transition, such as the Czech Republic, Azerbaijan, and Bulgaria, gave examples of dislocations and adjustments in employment from their own national experiences. UAE noted that 90 percent of their work force is foreign, but they have no migrants. Venezuela focused on microcredit, cooperatives, and jobs for youth, and concluded with the suggestion that men, as well as women, should be able to take time from their jobs to help raise their families.

MINISTERIAL DECLARATION

¶11. Agreement on the Ministerial Declaration text (E/2006/L.8, sent to IO/T and IO/EDA) was reached late July 5 after intervention by ECOSOC President Hachani to close the remaining paragraphs. The Declaration was adopted at 8:00 pm, a few hours after the High Level Segment would normally have ended. Venezuela, Cuba, Mexico and the EU gave Explanations of Position noting specific problem areas with the final text -- in the case of Venezuela the paragraphs on good governance were problematic. Cuba's Deputy Foreign Minister supported this position. Mexico complained loudly that its views on migration-related workers' rights issues were ignored (Mexico had earlier disrupted several informal sessions over this issue). The EU noted its displeasure that the final language on the subject of "corporate social responsibility," something the Finnish EU Presidency had promoted aggressively, was not stronger. The negotiations on this declaration suffered from five major problems. Initially the work was poorly timed -- almost in parallel with the last weeks of negotiations in New York on the GA Development follow-up resolution. This complicated all phases of the New York negotiations on the declaration as delegations were uncertain of the outcome on development policy issues until June 30. In the end, a number of paragraphs were imported from that text. The four substantive disputes which delayed closure over three days of negotiations in Geneva dealt with trade policy, corporate social responsibility, good governance concerns and Mexico's insistence on inserting specific language to cover their national perspective on migration issues. Regarding outcomes, ECOSOC will use its subsidiary bodies to keep implementation under review, and ECOSOC also requests the ILO to follow-up on implementation of commitments for the promotion of full employment and decent work for all.

Initial requests to proclaim a "decade for full and productive employment," supported strongly by the ILO and some delegations throughout this negotiation, were deleted after sustained effort.

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